

Muna Therapeutics ApS

**Annual report 22.01.2020 -
31.12.2020**

Ole Maaløes Vej 3
2200 København N
CVR No. 41142871

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Entity details

Entity

Muna Therapeutics ApS

Ole Maaløes Vej 3

2200 København N

CVR No.: 41142871

Registered office: København

Financial year: 22.01.2020 - 31.12.2020

Board of Directors

Morten Døssing, Chairman

Anders Mørkeberg Hinsby

Camilla Petrycer Hansen

Joachim Pold Vilstrup

Stefan Lohmer

Chiara Rossana Maria Liberati

Executive Board

Anders Mørkeberg Hinsby, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Muna Therapeutics ApS for the financial year 22.01.2020 - 31.12.2020.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 22.01.2020 - 31.12.2020.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 29.04.2021

Executive Board

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Anders Mørkeberg Hinsby
CEO

Board of Directors

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Morten Døssing
Chairman

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Anders Mørkeberg Hinsby

DocuSigned by:

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Camilla Petrycer Hansen

DocuSigned by:

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Joachim Pold Vilstrup

DocuSigned by:

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Stefan Lohmer

DocuSigned by:

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Chiara Rossana Maria Liberati

Independent auditor's extended review report

To the shareholders of Muna Therapeutics ApS

Conclusion

We have performed an extended review of the financial statements of Muna Therapeutics ApS for the financial year 22.01.2020 - 31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations for the financial year 22.01.2020 - 31.12.2020 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity

personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our extended review of the financial statements our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the extended review or otherwise appears to be materially misstated.


Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 29.04.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

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Thomas Hermann

State Authorised Public Accountant
Identification No (MNE) mne26740

Management commentary

Primary activities

The principal activities comprise research, development, production and sell biotechnology products and pharmaceutical products.

Development in activities and finances

The company's income statement for the financial year 2020 shows a loss of 7,382 DKK ('000) and the company's balance sheet per 31 December 2020 shows an equity of 16,658 DKK ('000).

The result is characterized by the fact that the company is in the start-up phase with limited operations and costs for research and patent application. The company's financial position complies with management's expectations and is considered satisfactory.

Events after the balance sheet date

We are continuously assessing the impact of the COVID-19 pandemic on the company and business environment. The rapid development of the COVID-19 pandemic and its social and economic impact globally may result in assumptions and estimates requiring revisions which may lead to material adjustments to the carrying value of assets and liabilities within the next financial year. We don't expect that the pandemic impact the near-term and long-term finances.

Income statement for 2020

	Notes	2020 DKK
Gross profit/loss		(7,345,098)
Staff costs	1	(2,841,668)
Operating profit/loss		(10,186,766)
Other financial income	2	15,461
Other financial expenses	3	(59,926)
Profit/loss before tax		(10,231,231)
Tax on profit/loss for the year	4	2,849,122
Profit/loss for the year		(7,382,109)
Proposed distribution of profit and loss		
Retained earnings		(7,382,109)
Proposed distribution of profit and loss		(7,382,109)

Balance sheet at 31.12.2020

Assets

	Notes	2020 DKK
Acquired intangible assets		7,999,950
Intangible assets	5	7,999,950
Fixed assets		7,999,950
Other receivables		316,711
Income tax receivable		2,849,122
Prepayments		29,992
Receivables		3,195,825
Cash		13,125,343
Current assets		16,321,168
Assets		24,321,118

Equity and liabilities

	Notes	2020 DKK
Contributed capital		131,428
Retained earnings		16,526,313
Equity		16,657,741
Other payables		42,798
Non-current liabilities other than provisions	6	42,798
Trade payables		2,234,746
Payables to associates		4,999,995
Other payables		385,838
Current liabilities other than provisions		7,620,579
Liabilities other than provisions		7,663,377
Equity and liabilities		24,321,118
Contingent liabilities	7	

Statement of changes in equity for 2020

	Contributed capital DKK	Retained earnings DKK	Total DKK
Contributed upon formation	40,000	0	40,000
Increase of capital	91,428	23,908,422	23,999,850
Profit/loss for the year	0	(7,382,109)	(7,382,109)
Equity end of year	131,428	16,526,313	16,657,741

Notes

1 Staff costs

	2020 DKK
Wages and salaries	2,831,586
Other social security costs	10,082
	2,841,668
Average number of full-time employees	3

2 Other financial income

	2020 DKK
Exchange rate adjustments	15,461
	15,461

3 Other financial expenses

	2020 DKK
Other interest expenses	40,666
Exchange rate adjustments	19,260
	59,926

4 Tax on profit/loss for the year

	2020 DKK
Current tax	(2,849,122)
	(2,849,122)

5 Intangible assets

	Acquired intangible assets DKK
Additions	7,999,950
Cost end of year	7,999,950
Carrying amount end of year	7,999,950

6 Non-current liabilities other than provisions

	Due after more than 12 months 2020 DKK
Other payables	42,798
	42,798

7 Contingent liabilities

The Company has rental and lease commitments of DKK 8.000.

The Entity participates in a Danish joint taxation arrangement where Novo Holdings A/S serves as the administration company in the period 3 June to 29 December 2020. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore secondarily liable for income taxes etc for the jointly taxed entities, which is limited to the equity interest by which the entity participates in the Group. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Gross profit or loss

Gross profit or loss comprises other external expenses.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Other financial income

Other financial income comprises interest income including exchange gains on securities, payables and transactions in foreign currencies and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses including exchange losses on securities, payables and transactions in foreign currencies, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Intellectual property rights etc**

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Intellectual property rights:	5 years
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Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.